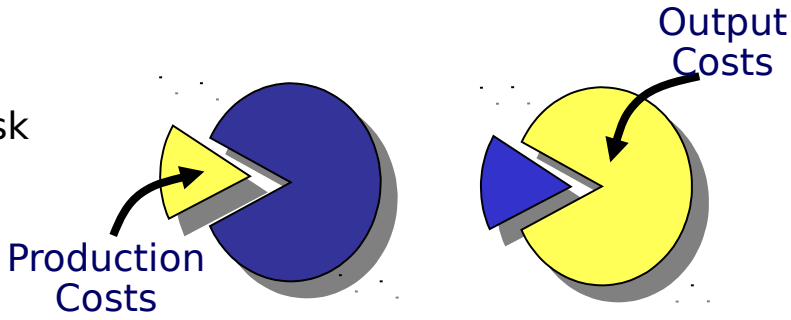
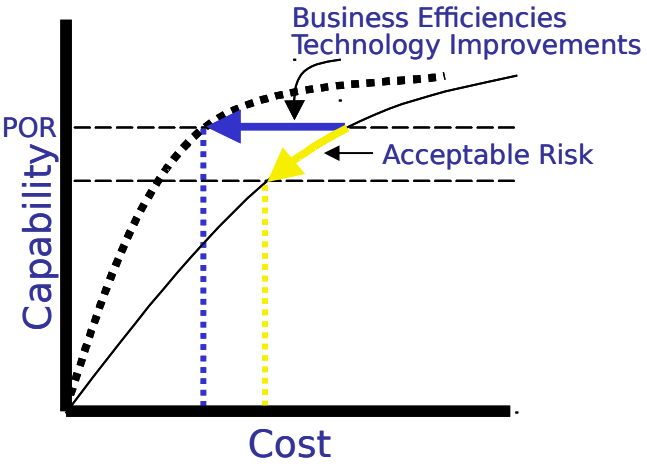
NAVFACENGCOM
POM-06 Target Brief

POM-06 Target Brief
Process Employed

- **Drive out costs**
  - Optimize resources and take acceptable risk
  - Harvest production and output savings



- **Realign internally and externally**
  - Restructure NAVFAC
  - Combine PWCs and EFD/As into Facilities Engineering Commands to improve alignment with Region, effectiveness, and create significant savings
  - Position Navy to integrate independent Public Works Departments – one Navy PW delivery model
  - Transform NAVFAC from command-centric to business line-centric governance
- **Continuously shape/leverage the workforce**
  - Aggressively work towards right mix (military/civilian/contractor; supervisor/subordir
  - Determine gaps between current workforce and fut requirements
  - Civil Engineer Corps
    - Will be smaller
    - Integrate Reserves with Active



- **Operate by output driven metrics**

POM-06 Target Brief
FYDP Summary - $M

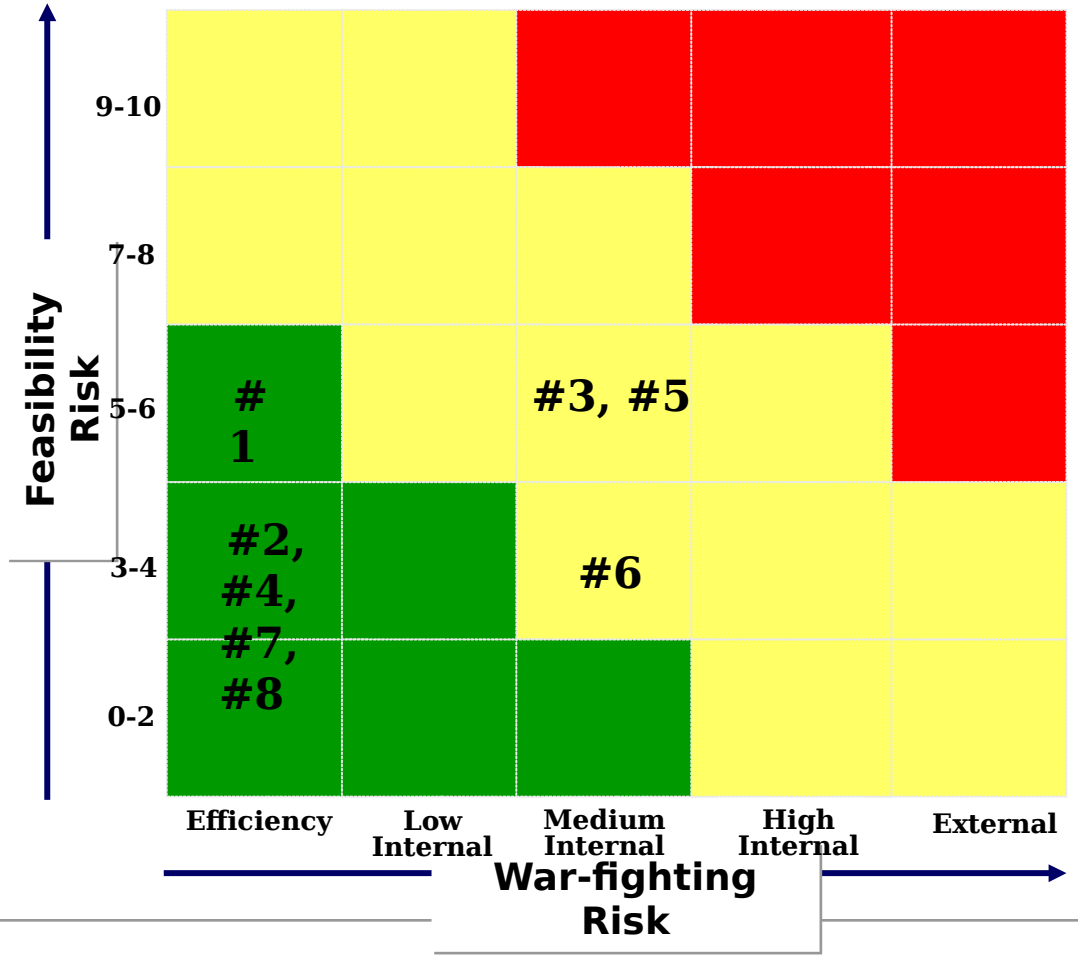
		FY06	FY07	FY08	FY09	FY10	FY11	FYDP
Baseline	PROC	1,045.0	977.0	847.0	731.0	746.0	761.0	5,107.0
	RDTEN	20.0	22.0	22.0	22.0	22.0	22.0	130.0
	OMN	289.0	290.0	304.0	313.0	320.0	326.0	1,842.0
	OMNR	13.0	16.0	16.0	16.0	17.0	17.0	95.0
	MPN	53.0	55.0	57.0	58.0	59.0	60.0	342.0
	Total	1,420.0	1,360.0	1,246.0	1,140.0	1,164.0	1,186.0	7,516.0
Investment (+)	PROC	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	RDTEN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OMN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OMNR	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Savings (-)	PROC	-64.6	-57.7	-76.6	-80.8	-87.1	-95.4	-462.2
	RDTEN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OMN	-13.1	-12.0	-13.3	-19.3	-26.7	-32.5	-116.9
	OMNR	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	MPN	-4.0	-6.1	-6.1	-6.1	-6.1	-6.1	-34.5
	Total	-81.7	-75.8	-96.0	-106.2	-119.9	-134.0	-613.6
Adjusted Baseline	PROC	980.4	919.3	770.4	650.2	658.9	665.6	4,644.8
	RDTEN	20.0	22.0	22.0	22.0	22.0	22.0	130.0
	OMN	275.9	278.0	290.7	293.7	293.3	293.5	1,725.1
	OMNR	13.0	16.0	16.0	16.0	17.0	17.0	95.0
	MPN	49.0	48.9	50.9	51.9	52.9	53.9	307.5
	Total	1,338.3	1,284.2	1,150.0	1,033.8	1,044.1	1,052.0	6,902.4
Total Proposed Net Savings		81.7	75.8	96.0	106.2	119.9	134.0	613.6
5% Target		61.0	62.0	63.0	64.0	65.0	66.0	381.0

POM-06 Target Brief
FYDP Summary - Manpower

		FY06	FY07	FY08	FY09	FY10	FY11
E/S Baseline (FTE)	Active	480	480	480	480	480	480
	Reserve	0	0	0	0	0	0
	Civilian	5,385	5,385	5,337	5,215	5,136	5,059
	Contractor (E/S or $)	299	299	299	299	299	299
	Total	6,164	6,164	6,116	5,994	5,915	5,838
Adjustments (+/-)	Active	-40	-56	-56	-56	-56	-56
	Reserve	0	0	0	0	0	0
	Civilian	-140	-196	-256	-270	-338	-382
	Contractor (E/S or $)	-43	-56	-68	-80	-80	-80
	Total	-223	-308	-380	-406	-474	-518
Adjusted Baseline	Active	440	424	424	424	424	424
	Reserve	0	0	0	0	0	0
	Civilian	5,245	5,189	5,081	4,945	4,798	4,677
	Contractor (E/S or $)	256	243	231	219	219	219
	Total	5,941	5,856	5,736	5,588	5,441	5,320

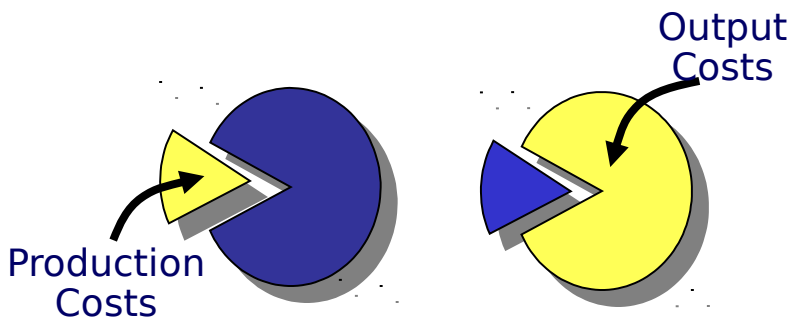
POM-06 Target Brief
Initiative Summary

Overall Severity



POM-06 Target Brief
Initiative Summary

#	Savings Option	W/F Cap Risk	Feas Risk	Investment ($M)	Projected Net Savings ($M) Procurement (RDTE/PROC) FYDP$	Procurement (RDTE/PROC) %Target	Operations (OMN/OMNR) FYDP	Operations (OMN/OMNR) %Target	Manpower (MPN/RPN) FYDP	Manpower (MPN/RPN) %Target	Total FYDP	Total %Target
1	Production Savings - MPN	E	5	0.000	0.000	0.00%	0.000	0.00%	34.500	0.091	34.500	9.06%
2	Production Savings - MILCON SIOH	E	4	0.000	42.600	11.18%	0.000	0.00%	0.000	0.000	42.600	11.18%
4	Production Savings - Acq Mgmt	E	3	0.000	0.000	0.00%	116.900	30.68%	0.000	0.000	116.900	30.68%
7	Output Savings - Streamline Engineering	E	3	0.000	45.000	11.81%	0.000	0.00%	0.000	0.000	45.000	11.81%
8	Output Savings - Prior Year Savings	E	4	0.000	23.000	6.04%	0.000	0.00%	0.000	0.000	23.000	6.04%
	Subtotal			**0.000**	**110.600**	**29.03%**	**116.900**	**30.68%**	**34.500**	**0.091**	**262.000**	**68.77%**
3	Production Savings - ERN	M	5	0.000	62.000	16.27%	0.000	0.00%	0.000	0.000	62.000	16.27%
5	Output Savings - ERN	M	5	0.000	158.600	41.63%	0.000	0.00%	0.000	0.000	158.600	41.63%
6	Output Savings - ATFP (Tech/CONOPS)	M	3	0.000	131.000	34.38%	0.000	0.00%	0.000	0.000	131.000	34.38%
	Subtotal			**0.000**	**351.600**	**92.28%**	**0.000**	**0.00%**	**0.000**	**0.000**	**351.600**	**92.28%**
	Total Proposed Savings			**0.000**	**462.200**	**121.31%**	**116.900**	**30.68%**	**34.500**	**0.091**	**613.600**	**161.05%**
	5% Target										**381.000**	



POM-06 Target Brief
Initiative #1: Production Savings - MP,N

Product/Output Description:

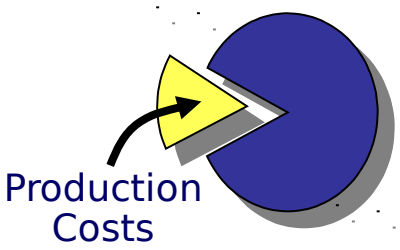
- CEC officers will only be in military essential, key leadership, or developmental engineer/acquisition billets

Source of Requirement:

- Civil Engineer Corps personnel

Proposed Action:

- Reduce CEC officers under NAVFAC claimancy by 12% over FYDP and harvest savings



Risk/Impact Assessment:

- Requires realignment to implement Facilities Engineering Commands
- Minimal impact to war-fighting capability risk
- Requires remaining personnel to be much more efficient
- Impact on morale of force

FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	53.0	55.0	57.0	58.0	60.0	61.0	344.0
MP,N	53.0	55.0	57.0	58.0	60.0	61.0	344.0
(+) Investment							
(-) Savings	-4.0	-6.1	-6.1	-6.1	-6.1	-6.1	-34.5
Net	49.0	48.9	50.9	51.9	53.9	54.9	309.5
Endstrength (FTE +/-)	-40	-56	-56	-56	-56	-56	
Active	-40	-56	-56	-56	-56	-56	
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	1	1	1	2	0	5	0	-34.5	

POM-06 Target Brief
Initiative #2: Production Savings - MILCON SIOH

Product/Output Description:

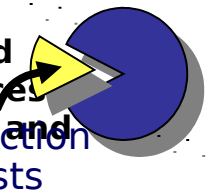
- SIOH (Supervision, Inspection and Overhead) is a programmatic rate based on a percentage of construction placement and project location for construction management services

Source of Requirement:

- 10 U.S.C 2802 states that MILCON projects shall include SIOH
- SIOH rates are endorsed by Congress

Proposed Action:

- "Act to Think"
- Beginning with the FY06 MILCON program, NAVFAC proposes to reduce the SIOH rate for "construction" from 6% to 5.7% CONUS, and from 6.5% to 6.2% OCONUS, and for "service" from 3.0% to 2.7%
- Increase efficiency through improved acquisition strategies, best value process, workforce shaping, leveraging of IT, and acceptance of appropriate oversight risk



Risk/Impact Assessment:

- Minimal impact to war-fighting capability risk; output is unchanged but costs are reduced
- Congress must endorse SIOH rate change

FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline							
MILCON							
(+) Investment							
(-) Savings	-7.00	-6.60	-6.40	-7.20	-7.70	-7.70	-42.60
Net							
Endstrength (FTE +/-)	-10.00	-34.00	-50.00	-63.00	-70.00	-73.00	
Active							
Reserve							
Civilian	-10.00	-34.00	-50.00	-63.00	-70.00	-73.00	
Contractor (E/S or $)							

Comments:

- People reduction is on an accrual basis over time

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	1	1	1	1	0	4	0	-42.6	

POM-06 Target Brief
Initiative #3: Production Savings - ER,N

Product/Output Description:

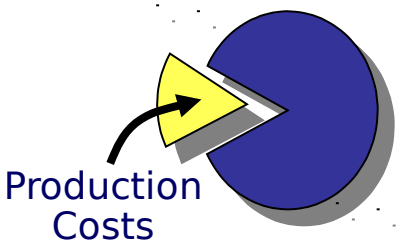
- Provides for the clean-up of past contamination
- Objectives-
  - Minimize risks to human health and the environment
  - Restore contaminated sites to productive use
  - Unexploded Ordnance program

Source of Requirement:

- NAVFAC is the ERN Program Manager

Proposed Action:

- Consolidate staffing
- Aggressively implement best of breed across the Command
- Optimize civilian labor through workforce shaping



Risk/Impact Assessment:

- Requires realignment to consolidate and obtain the optimum level for environmental staff
- Will require extensive coordination with OSD and regulators
- Impact on morale of force

FYDP Profile($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	277.9	281.2	288.5	296.1	302.0	308.1	1,753.8
ER,N	277.9	281.2	288.5	296.1	302.0	308.1	1,753.8
(+) Investment							
(-) Savings	-4.2	-9.8	-14.1	-9.4	-11.6	-12.9	-62.0
Net	273.7	271.4	274.4	286.7	290.4	295.2	1,691.8
Endstrength (FTE +/-)	-42	-98	-141	-94	-116	-129	
Active							
Reserve							
Civilian	-42	-98	-141	-94	-116	-129	
Contractor (E/S or $)							

Comments:

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	1	1	1	2	0	5	0	-62	

POM-06 Target Brief
Initiative #4: Production Savings - Acquisition Management

Product/Output Description:

- Includes the execution of repair, maintenance, minor construction, environmental compliance, service and facilities-type procurement contract actions
- Work with clients to develop "best value" procurement strategies which include construction management, quality assurance, contract administration and claim resolution

Source of Requirement:

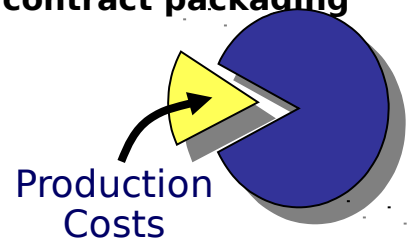
- NAVFAC is the DON SRM/OBOS program execution agent

Risk/Impact Assessment:

- No measurable impact to war-fighting capability risk; output is unchanged but costs are reduced
- Requires realignment to implement Facility Engineering Commands
- Acceptance of reasonable risk due to complexity of actions
- Impact on morale of force

Proposed Action:

- Harvest savings of $116.9M across the FYDP
- Requires leveraging of IT, streamlining engineering/design support, acquisition efficiencies and improved contract packaging



FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	111.4	112.8	114.9	117.9	120.3	122.7	700.0
O&M,N	289.0	290.0	304.0	313.0	320.0	326.0	1,842.0
(+) Investment							
(-) Savings	-13.1	-12.0	-13.3	-19.3	-26.7	-32.5	-116.9
Net	98.3	100.8	101.6	98.6	93.6	90.2	583.1
Endstrength (FTE +/-)	-131	-120	-133	-193	-232	-260	
Active							
Reserve							
Civilian	-88	-64	-65	-113	-152	-180	
Contractor (E/S or $)	-43	-56	-68	-80	-80	-80	

Comments:

Assessment

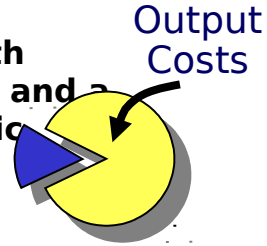
War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	0	0	1	2	0	3	0	-116.9	

POM-06 Target Brief
Initiative #5: Output Savings - ER,N

Product/Output Description:
- Provides for the clean-up of past contamination
- Objectives-
  - Minimize risks to human health and the environment
  - Restore contaminated sites to productive use
  - Unexploded Ordnance program

Source of Requirement:
- NAVFAC is the ERN Program Manager

Proposed Action:
- Could delay completion of Response Complete/ Remedy in Place for some sites beyond 2014
- Coordinate strategy with OSD and continue to achieve cleanup progress
- Maintain a strong partnership with Regulators and industry and a vigorous education of public stakeholders
- Obtain business efficiencies with acceptable risk and new leading edge technologies



Risk/Impact Assessment:
- Regulatory Agencies may move towards an adversarial relationship with enforcement actions
- Potential public perception that the Navy is relaxing its commitment to the environment
- Political staffing or testimony possible
- Initiative is complex because of the nature of environmental compliance laws and regulations

FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
CLI/PE Baseline	277.9	281.2	288.5	296.1	302.0	308.1	1,753.8
ER,N	277.9	281.2	288.5	296.1	302.0	308.1	1,753.8
(+) Investment							
(-) Savings	-13.4	-19.5	-25.3	-30.4	-34.0	-36.0	-158.6
Net	264.5	261.7	263.2	265.7	268.0	272.1	1,595.2
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:
- Manpower savings shown in Initiative

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	1	1	1	2	0	5	0	-158.6	

POM-06 Target Brief
Initiative #6: Output Savings – ATFP (Technology/CONOPS)

Product/Output Description:

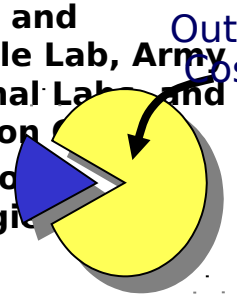
- Identify technologies and CONOPS that achieve risk-based investment strategy
- Assist CNI in defining required capabilities for Shore ATFP Program

Source of Requirement:

- NAVFAC is the Navy Shore ATFP Program Manager

Proposed Action:

- Aggressively leverage NASNI Test Bed
- Generate cash from improved ATFP solutions
- Collaborate with other Services and Agencies including Air Force Battle Lab, Army Thunder Mountain, Sandia National Lab, and Physical Security Equipment Action
- Achieve savings by investing mo in high payback technologi less in low payback technologies



Risk/Impact Assessment:

- The risk based ATFP program protects our people and most important assets/infrastructure
- Requires close coordination with Homeland Defense and other Agencies
- Provide Physical Security Equipment (PSE) and CBRNE to Navy ashore activities

FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
812800/0208147N	124.7	175.4	136.3	144.7	147.6	150.6	879.3
OPN	443.2	362.4	343.0	259.0	264.2	269.5	1,941.3
(+) Investment							
(-) Savings	-14.0	-15.0	-22.0	-25.0	-25.0	-30.0	-131.0
Net	110.7	160.4	114.3	119.7	122.6	120.6	748.3
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
M	0	1	1	1	0	3	0	-131	

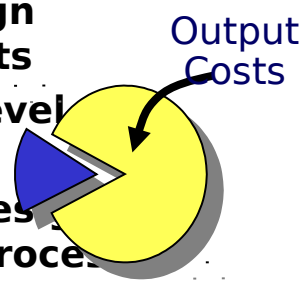
POM-06 Target Brief
Initiative #7: Output Savings - Streamline Engineering

Product/Output Description:

- Provide engineering/design for the sustainable development of Navy shore infrastructure
- Pursue business line efficiency enablers, balanced with responsible engineering
- Research and coordinate best value processes for engineering design, contract types, resource availability, and client requirements

Proposed Action:

- In close coordination with CNI:
  - Reduce engineering/design support for low-risk projects
  - Only apply appropriate level engineering
  - Eliminate bias towards design-bid-build acquisition process
  - Accomplish projects not requiring design support via electronic ordering



Risk/Impact Assessment:

- Clients will accept use of design-build vice traditional higher cost, design-bid-build
- Impact on public image

FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
P&D	74.0	74.9	77.1	74.7	76.2	77.7	454.6
Milcon (UMC & P&D)	89.0	90.9	95.1	93.7	95.6	97.5	561.8
(+) Investment							
(-) Savings	-3.0	-6.8	-8.8	-8.8	-8.8	-8.8	-45.0
Net	71.0	68.1	68.3	65.9	67.4	68.9	409.6
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:

- MILCON savings are P&D funds.

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	0	0	1	2	0	3	0	-45	

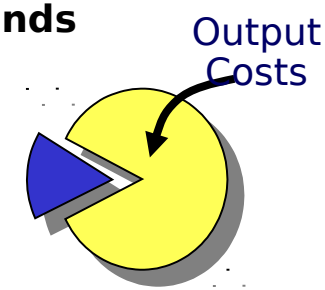
POM-06 Target Brief
Initiative #8: Output Savings - Prior Year Savings

Product/Output Description:

- NAVFAC anticipates $23M in savings from FY04 MCON construction projects

Proposed Action:

- Navy will request Congress to finance $23M of FY06 MCON Planning and Design by rescinding $23M in FY04 MCON construction funds



Risk/Impact Assessment:

Requires Congressional approval

FYDP Profile ($M):

	FY06	FY07	FY08	FY09	FY10	FY11	Total
P&D	74.0	74.9	77.1	74.7	76.2	77.7	454.6
Milcon (UMC & P&D)	89.0	90.9	95.1	93.7	95.6	97.5	561.8
(+) Investment							
(-) Savings	-23.0	0.0	0.0	0.0	0.0	0.0	-23.0
Net	51.0	74.9	77.1	74.7	76.2	77.7	431.6
Endstrength (FTE +/-)							
Active							
Reserve							
Civilian							
Contractor (E/S or $)							

Comments:

Assessment

War Cap Risk	Leg/Reg	Political	Complexity	Intangible	Cost/Inv Rec	Feas Risk	Invest $M	FYDP $M	Severity
E	1	1	1	1	0	4	0	-23	

POM-06 Target Brief Summary

- **POM06 proposed savings are $614M across the FYDP**
- **Exceeded POM-06 Target by $233M**

Back-Up Slides

NAVFAC SAVINGS - TARGET BRIEF 10 MAR 04

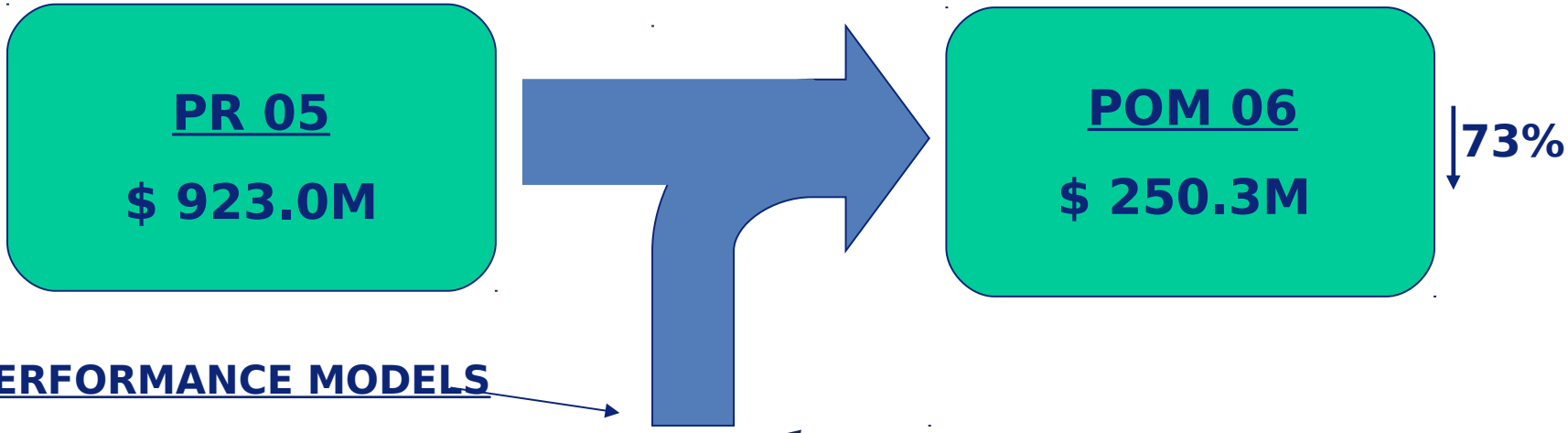
($ in Millions)

	FY06	FY07	FY08	FY09	FY10	FY11	TOTAL
PRODUCTION SAVINGS:							
MPN	4.0	6.1	6.1	6.1	6.1	6.1	**34.5**
MCON (SIOH)	7.0	6.6	6.4	7.2	7.7	7.7	**42.6**
ERN	4.2	9.8	14.1	9.4	11.6	12.9	**62.0**
O&MN (ACQ MGMT)	13.1	12.0	13.3	19.3	26.7	32.5	**116.9**
SUB-TOTAL PRODUCTION SAVINGS	**28.3**	**34.5**	**39.9**	**42.0**	**52.1**	**59.2**	**256.0**
OUTPUT SAVINGS:							
ERN (NAVFAC)	13.4	19.5	25.3	30.4	34.0	36.0	**158.6**
ATFP (OPN/NAVFAC) } Combined in brief as issue #6	4.0	5.0	7.0	10.0	10.0	10.0	**46.0**
ATFP (OPN/NAVFAC) } Combined in brief as issue #6	10.0	10.0	15.0	15.0	15.0	20.0	**85.0**
MCON (P&D/NAVFAC)	3.0	6.8	8.8	8.8	8.8	8.8	**45.0**
SUB-TOTAL OUTPUT SAVINGS	**30.4**	**41.3**	**56.1**	**64.2**	**67.8**	**74.8**	**334.6**
TOTAL W/O MCON P&D RECISSION	**58.7**	**75.8**	**96.0**	**106.2**	**119.9**	**134.0**	**590.6**
MCON (P&D RECISSION)	23.0	0.0	0.0	0.0	0.0	0.0	**23.0**
GRAND TOTAL SAVINGS	**81.7**	**75.8**	**96.0**	**106.2**	**119.9**	**134.0**	**613.6**

Production Savings:	
MPN: ($34.5M)	Reduce CEC Officers by 40 in FY06 and 56 in 07 and out. Principally achieved by creation of FECs. Conducting a zero base review.
MCON (SIOH): ($42.6M)	Acquisition strategies, best value processes, workforce shaping, leveraging of IT, and acceptance of increased risk. Reduce SIOH rate from 6% to 5.7% to create stretch goal and driving force.
ERN: ($62.0M)	Consolidate staffing; aggressively implement best of breed across the Command; optimize civilian and CASU mix; and, workforce shaping.
O&MN (FAC 4B): ($116.9M)	Leveraging of IT; streamline engineering/design support; acquisition efficiencies and contract packaging; electronic ordering through GSA; acceptance of increased risk; and, workforce shaping.
Output Savings:	
ERN (NAVFAC/N45) ($158.6M)	Business efficiencies; new technologies; and increased risk. Coordinate mitigation strategy with OSD and continue to achieve clean-up progress.
ATFP (OPN/NAVFAC) ($46.0M)	Leverage ATFP NASNI Program test bed: direct ATFP test efforts on items that support a risk-based investment strategy. Leverage other services/agency RDT&E programs (e.g., Air Force Battle Lab).
ATFP (OPN/NAVFAC) ($85.0M)	ATFP Program Gains: invest in capabilities with higher risk. In close coordination with CNI, reduce investment in low payback areas.
MCON (P&D/NAVFAC): ($45.0M)	Streamline engineering: reduce engineering/design support for low-risk projects and categorize projects to ensure an appropriate level of engineering.

LOE Migration

FY05 Pres. Budget (FY 06 Column)



PERFORMANCE MODELS

COMBAT SUPPORT FORCES - $62.4 M

ACQUISITION MGMT - $111.4 M

ENVIR RESTORATION, NAVY - $277.9 M

*SEALIFT - $18.9 M

BVS&E - $37.4 M

ENVIR PROTECTION - $26.5 M

CONSERVATION OF NAT'L RES

FMC

AMPHIB - $202.7 M

TACTICAL - $40.9 M

EXEMPTED

NMCI - $7.9M

MANDATED

BRAC - $27.6 M

FECA - $.014 M

* In PR 05 Sealift was Future Mission Capability and not LOE.